

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF EAST KENTUCKY POWER)	
COOPERATIVE, INC. OF A REVISION)	
TO ITS WHOLESALE ELECTRIC POWER)	CASE NO. 89-311
TARIFF)	

O R D E R

On October 27, 1989, East Kentucky Power Cooperative, Inc. ("EKPC") filed its notice and application for a revision to its wholesale power tariff. The proposed revision creates a Rate Schedule E in EKPC's tariff to replace the current Rate Schedule A. The proposed Schedule E rates include a demand charge of \$4.34 per KW, a load center charge of \$1,069 per month, and a two-step energy charge of \$0.03131 per KWH for the first 425 KWH per KW of billing demand and \$0.02342 per KWH for all remaining KWH. The proposed revision was to have been effective December 1, 1989 but was suspended until May 1, 1990.

The proposed revision will reduce EKPC's annual revenues by approximately \$2.5 million. EKPC states that the revision (1) provides for an easier integration of retail rates with wholesale rates for those retail customers billed primarily on the basis of energy, (2) results in reduced power costs for all member cooperatives, (3) provides an average cost per KWH equal to or lower than the average cost per KWH under Section A rates at any load factor, and (4) allows the monthly power bills of the member

cooperatives to be less sensitive to load factor or weather variations.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. The tariff revision proposed by EKPC is in the public interest and should be approved.

2. The rates and charges proposed by EKPC and set out in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and should be approved for service rendered by EKPC on and after January 1, 1990.

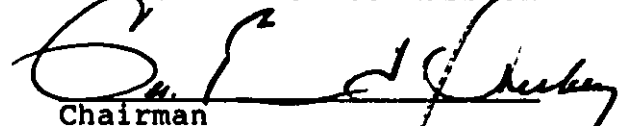
IT IS THEREFORE ORDERED that:

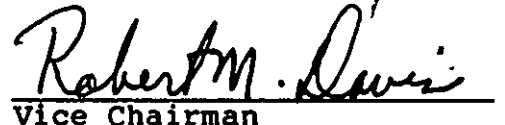
1. The rates and charges in Appendix A are approved for service rendered by EKPC on and after January 1, 1990.

2. Within 30 days from the date of this Order, EKPC shall file with this Commission its revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 4th day of January, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 89-311 DATED 1/04/90

The following rates and charges are prescribed for the customers in the area served by East Kentucky Power Cooperative, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

WHOLESALE POWER RATE SECTION E

Monthly Rate - Per Load Center

Load Center Charge:	\$1,069	Per Month
Demand Charge:	\$4.34	Per KW of Billing Demand
Energy Charge:	\$.03131	Per KWH for the First 425 Hours per KW of Billing Demand
	\$.02342	For all Additional KWH

Billing Demand

Billing demand applicable to this Section is equal to the load center's peak demand minus the actual demand of Section B and Section C participants coincident with the load center's peak demand.